

Understanding Leave for Military Duty

Features of Military Leave

Members called to active military duty often must make a number of financial decisions in a short period of time. By understanding how a military leave of absence affects their status with SDRS, members may be better able to cope with the stress of a difficult time.

Members called to military duty must obtain a leave of absence from their employers. During military leave, members and their employers do not have to continue making contributions to SDRS. However, members will lose their eligibility for disability and survivor benefits unless both member and employer contributions continue to be made during their leave.

If members wish to continue disability and survivor benefits, they have three options:

- ▶▶ make both the member and the employer contributions to SDRS themselves
- ▶▶ convince their employer to make both the member and the employer contributions for them
- ▶▶ work out an arrangement with their employer to share making the member and the employer contributions

Members can reduce their out-of-pocket costs for continued disability and survivor benefits by being paid during their military leave for any vacation time, sick leave or personal leave they have accumulated. Of course, if contributions continue, credited service continues to accrue.

On the other hand, members may continue to earn credited service without contributions during military leave if they:

- ▶▶ secure advance authorization for military leave;
- ▶▶ return to work for an SDRS unit within one year of discharge from their initial period of military service; and
- ▶▶ remain working for that same SDRS employer for at least one year

Reporting on the Right Forms

All leaves of absence are assumed to be temporary, but SDRS uses some of the same forms to suspend or reinstate members as it does to terminate or enroll members. Reporting leaves of absence for military duty or any other

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The Answer Line: Places to Look for Answers



Where can I find answers to questions I'm asked as an authorized agent?



A number of resources provide the information you need to perform your duties as an authorized agent:

- ▶▶ **Authorized Agents' Manual:** This handbook describes your job responsibilities, discusses the structure of SDRS, explains various features of SDRS retirement plans, defines terms and presents annotated forms and flow charts to help you file accurate reports.
- ▶▶ **UpDate:** The newsletter written for authorized agents, *UpDate*, has articles explaining how SDRS functions, defining terms and discuss-

ing procedures to help you do your job.

- ▶▶ **Income for Your Retirement: Class A, Class B Judicial and Class B Public Safety:** These booklets contain information about benefits and features of SDRS plans that every member should understand.
- ▶▶ **Outlook:** Written for the general membership, this newsletter discusses current issues pertinent to SDRS.
- ▶▶ **SDRS Web site:** You can find SDRS publications as well as assistance in retirement planning online at www.state.sd.us/sdrs. Up-to-date information on pressing topics of interest is posted in the "What's New" section of the home page. "Frequently

Asked Questions" addresses some of the matters that are often most puzzling to members.



How do I submit a question to UpDate?



If you are stumped on a question and need extra help in finding the answer, you can submit it to *UpDate*. Because your experience as an authorized agent is seldom unique, chances are there are others who will be glad to see the question asked — and answered.

You can send your questions to *UpDate* through Lisa VanderMaten at SDRS, PO Box 1098, Pierre, SD 57501, or go to the Web site at www.state.sd.us/sdrs to send an e-mail. You need not include your name.


Understanding Leave for Military Duty ... continued

reason follows this protocol:

- ▶▶ To suspend active SDRS participation, use Form B-1, *Termination of Contributory Service*.
- ▶▶ To reinstate a member in SDRS, use Form E-1a, *Notice of Return to SDRS Participation*.
- ▶▶ Should a member not return from a leave of absence, indicate permanent termination from

employment by again using Form B-1, *Termination of Contributory Service*.

Authorized agents also need to remember:

- ▶▶ To report any change in a member's name or address, use Form E-2, *Notice of Enrollment Change*.
- ▶▶ Submit only original forms, not faxes or photocopies, to SDRS. 

SRP: Easy Way to Save

For members wishing to increase their personal retirement savings, SDRS' Supplemental Retirement Plan offers diversified, tax-deferred investment choices with the convenience of automatic payroll deductions. For members to learn more about the SRP, suggest that they call the SRP office at 1-800-959-4457.

The Way It Works: *Actions to Take When a Member Retires*

When a member decides to retire, you can meet your responsibilities as an authorized agent by following the sequence of steps outlined below. This timetable assures a member of your unit a smooth transition from paycheck to benefit check.

When a member announces his or her intention to retire:

- ▶ Determine the member's retirement date.
- ▶ Remind the member to complete any ongoing contract to purchase credited service before terminating employment.

At least six months before retirement:

- ▶ Inquire if the member wishes

to apply for the level income payment option. If so, direct the member in the application process outlined on page 62 of the Authorized Agents' Manual, 5th edition.

At least three months before retirement:

- ▶ Instruct the member to request the SDRS Form B-2, *Applying for SDRS Retirement Benefits*, and to complete and return it to SDRS.
- ▶ Confirm the member's retirement date and the date the member wishes benefit payments to begin.
- ▶ Advise the member that all final pay must be received in the month before benefit

payments begin. Members cannot receive a paycheck and an SDRS benefit in the same month.

At least two weeks before the date of planned retirement:

- ▶ Complete Form B-1, *Termination of Contributory Service*, and send it to SDRS. Please remember that if contributions are not reported in a timely manner, SDRS will need to call to confirm the amount of the member's final salary.
- ▶ Remind the member that the electronic deposit of funds, if elected, will automatically be credited to the member's bank account on the 15th of every month. **UpDate**

The Face Behind the Voice: Michelle Mikkelsen

The cheerful, warm voice you hear when you call for advice about refunds is Michelle Mikkelsen's.



Michelle Mikkelsen

As an SDRS senior accountant, Michelle has two major responsibilities: to handle terminating employees' requests for refunds and to verify salary for members purchasing credited service.

"Receiving a refund is not the only choice for members who leave their jobs, and certainly may not be their best choice," Mikkelsen says. "Authorized agents should encourage members to contact us directly to discuss their options." According to Mikkelsen, when a member does choose a refund, authorized agents can speed the process by

double-checking the accuracy of the information on the B-1 and E-1 forms and then submitting them promptly. "We value the help of authorized agents," says Mikkelsen. "Their work is essential to the process running smoothly."

After four years at SDRS, Mikkelsen knows all the right questions to ask members. "For instance, a common occurrence is that members may have credited service with more than one SDRS employer," says Mikkelsen. "If so, it could change their vested status and their decision about a refund." **UpDate**

SDRS STATE-WIDE MEETING SCHEDULE

SCHEDULE DATE	CITY	COUNTY	LOCATION	ADDRESS	INDIVIDUAL COUNSELING DEADLINE*
September 2, 2003	Huron	Beadle, Sanborn	Crossroads Hotel	100 4 th St.	August 28
September 9–10, 2003	Sioux Falls (schools)	Minnehaha	Ramkota	2400 N. Louise	September 4
September 16–17, 2003	Sioux Falls (other agencies)	Minnehaha	Ramkota	2400 N. Louise	September 9
September 23, 2003	Howard	Miner	Community Center	Connected to firehall	September 18
September 30, 2003	Aberdeen	Brown	Ramkota	1400 8 th Ave. N.W.	September 25
October 7, 2003	Yankton	Yankton	Kelly Inn	1607 E. Hwy. 50	October 2
October 14, 2003	Mobridge	Walworth, Campbell	Wrangler Inn	820 W. Grand Crossing	October 9
October 21–22, 2003	Rapid City (schools)	Pennington	Quality Inn	1902 N. Lacrosse	October 16
October 28–29, 2003	Rapid City (other agencies)	Pennington	Quality Inn	1902 N. Lacrosse	October 23
November 4, 2003	Madison	Lake	Carl Mundt Library	8th and Egan	October 30
November 18, 2003	Spearfish	Lawrence	Holiday Inn	I-90 Exit 14	November 13
November 25, 2003	Martin	Bennett	Martin Public Library	Main St.	November 20

* Individual retirement counseling sessions must be scheduled before noon on this date.

Fall Retirement Planners' Schedule

When members want advice about pre-retirement planning, authorized agents may suggest turning to an SDRS retirement planner. Planners travel throughout the state presenting programs on SDRS' structure

and benefits, and consulting with individual members about financial preparations for retirement. If a member is interested in an appointment with a retirement planner, encourage him or her to contact the

SDRS office at 605-773-3731 at least one week before the planners are scheduled to be in your area. The chart above lists the planners' schedule through November 2003. 

SDRS Reminders

Quick Guides to Retirement on Web

The quick reference guides to retirement for Class A, Class B Public Safety and Class B Judicial members are now on the SDRS Web site (www.state.sd.us/sdrs/Publications/index.htm). These guides provide members with a

timeline for actions they need to take to be sure their benefits will begin promptly after retirement.

Members Welcome at Board Meetings

SDRS operates on behalf of its members and encourages them to become involved. Members may

wish to discuss issues with their board representative and attend the meetings of the Board of Trustees. Two regularly scheduled meetings of the Board of Trustees remain in 2003:

- ▶▶ September 17 – 18
- ▶▶ December 10 – 11

Meetings are held in the Lake Francis Case Room, Ramkota Inn, Pierre, South Dakota.